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Production (1)

IC 74-1724
29 July 1974

MEMORANDUM FOR: General Graham

SUBJECT: Lack of Progress in Improving Current Intelligence
Production

1. I do not think I am the only one who is dissatisfied with the intelligence community's effort in the field of current intelligence production. Recent events in [] underscore the poverty of our performance, and I see little evidence that much, if anything, has been learned from the [] experience.

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2. I think it unlikely that much progress in this state of affairs will occur unless someone is willing to talk to the production community pretty bluntly.

3. There are some fundamental matters which are at the heart of our production problems. They need airing. These are:

a. Inadequate attention is being paid to the most important problem of current intelligence --- short term forecasting and analysis.

b. Over the years, there has been a great deal of rhetoric on this subject and precious little action. The fundamental reason for this state of affairs is that senior managers have never devoted sustained attention to the problem, i.e., production managers are managing inadequately.

c. Identifying "insufficient personnel resources" as the key factor in the failure to improve current intelligence performance is a red herring. Save for the occasional international crisis, there are many underemployed professionals in the production offices.

d. Concluding that managers have insufficient time to manage is also a red herring. There is always enough time to ask the right questions, challenge conventional wisdom, etc. once the senior partners of the intelligence firms demand this of their production supervisors.

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e. If top management placed as much emphasis on the problem of analysis and the finished intelligence product as it does on examining collection systems and manipulation of resources, I am confident we would see measurable progress in the world of production.

4. All of the above judgments are, of course, liable to attack. (They will be considered libellous in certain circles.) However, while you can quarrel with detail there is enough fact here that it warrants real exposure.

5. I do not recommend that another "study" be undertaken. Our intelligence performance over the past year [redacted] should be prima facie evidence that we aren't getting better at our profession. I therefore recommend that the DCI take on this problem personally with the key production officials of the intelligence community.

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6. Attached is a draft paper which addresses some of the salient issues the DCI should table in such an airing of the problems of production.



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Colonel, USMC
IC/PRD

Attachment

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Production
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DCI/IO 74-1482

25X1 MEMORANDUM FOR: [REDACTED]

25X1 John:

This is the memo which we prepared for [REDACTED] to send to the DCI. It is our understanding that it went forward to the DCI exactly as drafted.

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[REDACTED]

Lewis J. Lapham

16 Jul 74
(DATE)

11 July 1974

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Comment on the Memorandum "The State of Soviet Analysis in CIA"

The memo makes some misinformed assertions, dispenses some overly-casual generalizations, and tends in places to the platitudinous-superficial. It is, at the same time, one-sided in its concentration on OPR's Soviet effort. I would note, too, that many of the issues raised are by no means breaking the surface for the first time here. Having said this, I would agree that they are for the most part legitimate and vital issues. I would like to see some of these exposed even more fully. Some of the points touched on -- and I have in mind particularly the reference to the problem of determining intentions and predicting behavior -- are central to the whole business of intelligence analysis, not just in the Soviet area. I think all levels of the Agency would profit greatly from a close, hard look at this whole question. We will be trying to take at least one step in this direction in an OPR paper scheduled later this year on the subject of defining Soviet "intentions" in the context of detente.

The issue of "cross-fertilization" -- and what is really a part of the larger issue: how to allow play for informed and reasoned dissent -- is still another which is of concern across the whole spectrum of intelligence analysis. I do not recall the time when we have not felt uneasy about our deficiencies in this area and sensed that ways could be found to cure some of them. At the same time, I do not think it helps much simply to say that there is not enough cross-fertilization. It is almost by definition something there is never enough of, who could possibly set himself

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against the idea that there should be more of it? But it is not a measurable commodity; it is an abstraction, and judgments as to how much it is in short supply are necessarily highly subjective.

My own judgment is that the notion that it is at present seriously lacking is exaggerated. There is, indeed, a great deal of compartmentation and specialization within the Agency. To some extent this is necessary and unavoidable. At the same time, we have many mechanisms for insuring and even requiring an exchange of views, though these admittedly are not always maintained in perfect order. The basic one is the coordination and consultation process, which all intelligence end products go through. Perhaps for many analysts this is more a burdensome routine than anything else, but it is nonetheless a regular form of opinion exchange. There are also numerous forums for multilateral exchange, finished intelligence and some not. It should also be pointed out that there is an active informal network of Soviet analysts in OCI, OPR, [] OER, OSR, DDO/SB, CRS, INR and DIA that is in constant communication on Soviet developments. There are, in addition, the many programs of the Office of Training which bring together Agency people, some of them in the status of students and others as guest lecturers, for the discussion of a whole range of substantive and managerial topics. And, finally, the opinions of others, expressed in the form of published reports, are generally available to everyone.

Unquestionably, bureaucratic barriers and gaps between disciplines within the Agency remain. The memo proposes as one way of reducing this inherent problem a policy of increased rotation between components. This, too, is a notion which has come up again and again over the years. It is hard to object to it in principle, and, of course, there are quite a good number of rotations now occurring, in and from OCI, for example. It will certainly be desirable to devise a means of allowing people to take rotational assignments in OPR when it appears that they can and want to do a piece of research tailored to OPR's needs. (Lew Lapham, by the way, will shortly be sending along his thoughts on your suggestions in this regard.) But there are rotations and rotations. I believe that -- speaking of the situation as I see it in

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this Directorate -- there might be as many drawbacks as benefits to an extensive, systematized program of rotation. For one thing, political specialists are, for the most part, political specialists and not economic experts (and vice versa) because that is where their interests and talents lie. The great majority of the best of them want it that way. To take an analyst out of OCI, say, and assign him to one of the specialized working components of OER, for a longish period of time will in many cases, especially if the analyst is not keen for such experience, produce negligible results in terms of expanding his horizons, and at the same time involve no little cost in terms of his time and the host office's time. I could, however, foresee benefits resulting from an arrangement under which, for example, an experienced political analyst was assigned to the Office of the Director of Economic Research and under his auspices given wide familiarization with the sources, methods of analysis and personnel of the office as a whole, over a period of something like 3 to 6 months. External training in other disciplines, either via governmental or academic programs, is another useful route. In either case, however, the number of people who can be accommodated is limited by budgetary and practical considerations.

This suggests a further point, an important one I believe, and one which is neglected in the memo. This is that there are considerable possibilities for broadening our thinking and sharpening our insights available to us outside the Agency. This is not to depreciate the expertise contained within our walls but to say that there is a rich external fund which, I suspect, we are not making as much use of as we should. In the first place, this means no more than staying abreast of the academic literature in our various fields of interest. But we should continue to place value on establishing and expanding direct contacts with academic specialists, on both a multilateral and bilateral basis. Attendance at professional conferences is one way. Still another is the specially organized informal seminar bringing academics and Agency people together periodically for discussions focused on a particular subject or paper. I should point out, however, that this device, valuable as it is, needs to be used selectively because, security considerations apart, there is always the danger that we could wear out our welcome in the academic community.

I take more seriously than the observations about cross-fertilization in general the complaint about the impediments to flexible and original thinking. It is a longstanding problem, but one which, to my knowledge, has never been attacked in earnest. The analytical environment does not in fact encourage the rethinking of established wisdoms and comfortable verities. To some extent this lack is in the nature of the bureaucratic beast, and of life in an organized community with its group pressures, fear of the consequences of isolation and error, etc. And, as is well known, coordination, though it discourages wild swings and helps to cull out the merely eccentric, also inexorably drives opinion toward the well-trodden middle ground. Thought might perhaps be given to keeping formal, full-dress coordination -- which strictly speaking means equal rights for the originator and the commentator -- to a minimum and allowing more room for the kind of informed and responsible consultation which academic scholars, by and large, practice among themselves. There is also some appeal in a notion which has been discussed recently within the Agency -- the notion of some form of "devil's advocacy," not too formal and institutionalized, but a device or even just a shared attitude that would help to insure that novel ideas and unconventional opinions get a fair hearing. In any case, the subject is worth further thought.

I am also in sympathy with the suggestion that our analytical, as opposed to our managerial, resources sometimes, in the end, are treated as our least prized assets. This is not to say that once a Sovietologist or Sinologist always a Sovietologist or Sinologist. Some people with experience in these fields move to other things, sometimes simply because their interests and enthusiasms have shifted. But where this is not the case and where people have demonstrated their capacities for top-flight intelligence analysis, there ought to be ways of insuring that they continue to be rewarded commensurately. It is Directorate policy to promote our best analysts to GS-15 and we have done so where possible. Personnel ceilings and grade restrictions have not permitted as many such senior analyst-jobs as we would like, but the opportunity is clearly there. Furthermore, our branches and divisions are small and the chiefs of these organizations are intimately involved in the analytical process often doing the original drafting of major intelligence items. In effect,

our branch chiefs are senior analysts devoting the overwhelming amount of their time to substantive matters. But needless to say, since there are only so many of the higher grades to go around, any attempt to make these more widely available to substantive personnel would ultimately entail reduction of administrative-managerial and staff positions.

Over the years I have found that good analysts come to us in a variety of disguises, some as Ph.D's, some as BA's. Some of these, usually those who gravitate to Soviet foreign affairs, have the journalist temperament and itchy feet and like to be where the most action is. It is these people we must persuade to tarry a little. Others wish to dig out their little specialist hole and bury themselves in it. It is these we must persuade to spend some time in the outside world occasionally. I think we need both kinds and both new and old blood, where possible in a state of creative tension.

Finally, some comments on the references to OPR, its objectives and reflexes. I take the observations about the relevance of its work program to be largely gratuitous. In any case, they are too off-handed to be helpful. We are all I think keenly aware of the necessity of making and keeping the research effort relevant. Neither I nor the members of OPR foresee their becoming a community of bearded monks in dusty cassocks sitting atop their own Mt. Athos. Nor do I or they want to slip into the business of, as one member of OPR put it, churning out Ph.D theses with SECRET stamps on them. But, at this stage, I have no misgivings on that score.

As for the participation of OPR's experts in Agency-wide or interagency enterprises (NIEs, NSSDMs, etc.), it is of course untrue to imply, as the memo does, that this does not occur. How much is desirable, at this point in the quite short life of the office, is a matter of judgment. I would expect this aspect of its work to grow, especially since the staff that has been assembled possesses considerable versatility. We will also want to provide opportunities for the staff members to express their thoughts from time to time in forms other than the full-blown research report.

But the creation of OPR was the result of a belief that there was a gap to be filled in the area of research in depth. Until it has been demonstrated that this is not the case -- and eight months have hardly been enough to do that -- I am convinced it would be a mistake to begin thinking about changing course. It would especially be a mistake to send OPR down the road of current support, including making regular contributions to NID. While there can be no precise delimitation of the sphere of current intelligence, and OPR must also concern itself with the immediate and the topical, not just the historical or futuristic, to follow such a course would be to blur the legitimate distinctions between the missions of OCI and OPR beyond recognition. I would note here, parenthetically, that I find it curious that the author, perhaps inadvertently, at no point in his memo acknowledges that OCI, like OPR, is the home base for a body of well-trained and experienced Soviet experts.

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[Redacted]
Acting Deputy Director for Intelligence